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bilities for provision of educational facilities and have been given powers to raise local resources to meet a part of the expenditure thereon.

MR. SPEAKER : Questions are over.

[Note.—An asterisk * at the commencement of a speech indicates revision by the member]

II.—CALLING ATTENTION TO SHORTAGE OF SUGAR AND BLACK-MARKETING IN ITS SALE.

SRI K. A. MATHIALAGAN : Mr. Speaker, Sir, I call the attention of the Hon. Minister for Agriculture to a matter of urgent public importance, viz., the acute shortage of sugar in the State and the prevalence of black-marketing in the sale of sugar.

* THE HON. SRI P. KAKKAN : Mr. Speaker, Sir, the scarcity of sugar which the hon. Member has referred to is not a problem peculiar to Madras State but it is a general problem affecting all the States in India including States like Uttar Pradesh and Bihar which account for the bulk sugar production in India.

During the year 1961-62, i.e., the sugar year commencing from 1st November, 1961 and ending with 31st October, 1962, there was a carry over of 16 lakh tons of sugar for the entire country which judged by the carry overs of previous years was considered to be very large and the Government of India therefore imposed a cut to restrict the offtake of cane in the factories thereby reducing the production of sugar during 1961-62. However when it came to be known that the expectation regarding the out-turn of cane and the recovery were not going to be fully realised due to adverse seasonal conditions during that year, the cut was removed and the factories were allowed to utilise practically all the cane standing in the field by readjustment of quotas. Even so the production during 1961-62 was very much below what was anticipated and the carry over stock which was 16 lakh tons in the beginning of 1961-62 got reduced to 10 lakh tons on 1st November 1962.

The year 1962-63, i.e., sugar year commencing from 1st November 1962 has not been a normal year in so far as sugarcane production is concerned not only for Madras State but also for the other States in India. States like Uttar Pradesh and Bihar which account for the bulk of sugar production in the country and which usually export sugar to other States, have been particularly hard hit by the shortfall in cane production. This shortfall has resulted in general shrinkage of sugar production in the country. Anticipating a shortfall in cane production during 1962-63 speculative pressures were brought to bear by interested parties on the free market price of sugar towards the end of January 1963 and with a view to curb the rising trend in prices the Government of India made a release of 2.25 lakh tons of sugar for the entire country as against the normal release of 2 lakh tons, in the month of February 1963, followed by a similar release of 2.25 tons in March 1963. In spite of these large releases sugar price continued

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to rise beyond the levels prevailing during the pre-January period. Therefore in the last resort, with a view to conserving supplies and ensuring equitable distribution of sugar at fair prices to consumers the Government of India promulgated the Sugar Control Order, 1963. Under the scheme of regulation envisaged by this order :

(a) ex-factory prices have been fixed in all regions including the Southern Region consisting of Madras, Andhra Pradesh, Mysore and Kerala;

(b) The Government of India will allocate every month quotas of sugar to each State after taking into consideration the supplies available and the off-take of individual States during the last control period when the system of allotment of monthly quotas was in vogue and restrictions on Inter-State movement existed;

(c) The State Government will sub-allocate the quotas allotted to them to different areas or districts in the State and nominate licensed sugar dealers to take delivery of the allocated quantity of sugar from particular factories;

(d) The State Government will fix the price at which sugar will be sold at wholesale and retail levels after taking into consideration the charges incurred in bringing sugar to the areas of consumption plus a reasonable margin for expenses and profit.

Subsequent to the promulgation of the Sugar Control Order, the Government of India have also imposed a ban on the inter-State movement of sugar as a further step to conserve supplies and ensure fair and equitable distribution of sugar to the consumers.

Under the powers derived from the Sugar Control Order, the State Government have fixed a margin of Rs. 2 per bag weighing one quintal for retailers over the wholesale price and Re. 1 for wholesalers exclusive of transport costs. In the State so far 104 wholesalers and 10,035 retailers have been appointed to deal in sugar. The dealers who handle more than 50 quintals of sugar at a time are also obliged to take a licence under the Madras Sugar Dealers' Licensing Order, 1962, which has been issued under the powers vested in the State Government under section 3 of the Essential Commodities Act, 1955. The dealers who have been appointed as sugar retailers and wholesalers are bound to sell sugar only at the controlled price failing which action can be taken against them under the Defence of India Rules. In addition they are also expected to maintain accounts showing the quantities received and sold and the balance remaining at the end of each day's transaction and these accounts are open for inspection by officers of the Revenue and Commercial Tax Departments. Nominations are withdrawn in cases where dealers fail to maintain these accounts or commit any other irregularity which in the opinion of the authorities concerned would render the continuance of the dealer (as a nominated wholesaler or retailer as the case may be) undesirable. With all these stringent measures and the threat of punishment against

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those who do not conform to the Statutory prices fixed for the sale of sugar the scope for blackmarketing has been considerably reduced.

The quota for Madras State has been fixed as 11,000 tons per month. Till the 16th of July 1963, the Government of India were releasing quotas on a monthly basis. But now the systems of monthly allocation has been changed and the Government of India have indicated releases for the next four months up to the end of October, including a special allotment of 1,100 tons for Deepavali. The allotment made by the Government of India at 11,000 tons per month does not fully represent the present level of consumption in the State. It is based upon the offtake during the previous control period with some adjustment, taking into consideration the supplies available during the current sugar year. The offtake in Madras State at the present level of consumption is in excess of 1,30,000 tons and will probably be as much as 1,45,000 tons per year. The ten factories in Madras State including the defunct mill at Melpatti can produce if seasonal conditions and cane supplies are normal, about 1,20,000 tons. The State is therefore deficient in sugar production and to maintain the present level of consumption it is necessary to import sugar from other States. Even for the 11,000 tons allotted by the Government of India, some quantity has to be obtained from Andhra factories to make up for the deficit in sugar production in the local factories. But it is expected that with the new sugar factory being commissioned at Mohanur in Salem district and the expansion of the Pugalur Factory, the level of production of the local factories would go up to 1,40,000 tons during 1963-64. But this is only a tentative target based on the assumption that cane production would be normal, seasonal conditions will be good and there will be no large scale diversion of cane for the manufacture of jaggery. During the current year the factories had to face the abnormal situation of restricted supplies due to diversion of cane for jaggery manufacture even by growers who have been traditionally supplying cane to the factories. The sugar production in Madras Factories during 1961-62 was of the order of 1,15,000 tonnes up to the end of February 1963 during the current sugar year the factories have produced about 86,000 tonnes of sugar.

III.—GOVERNMENT BILL.

THE MADRAS BUILDINGS (LEASE AND RENT CONTROL) AMENDMENT BILL, 1963.

THE HON. SRI M. BHAKTAVATSALAM: Sir, I move—

“That leave be granted for the introduction of the Madras Buildings (Lease and Rent Control) Amendment Bill, 1963.”

MR. SPEAKER: The question is—

“That leave be granted for the introduction of the Madras Buildings (Lease and Rent Control) Amendment Bill, 1963.”

The motion was put and carried and leave was granted.